

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office
FLOOR DEBATE

March 14, 2001 LB 114, 563

opposed vote nay. Please record.

CLERK: 36 ayes, 0 nays, Mr. President, on the advancement of LB 114.

PRESIDENT MAURSTAD: LB 114 is advanced. Mr. Clerk.

CLERK: Mr. President, the next bill, LB 563, is a bill introduced by Senator Robak. (Read title.) The bill was introduced on January 12, referred to the Banking, Commerce, and Insurance Committee, advanced to General File. I do have committee amendments, Mr. President.

PRESIDENT MAURSTAD: Thank you, Mr. Clerk. Senator Robak, you are recognized to open on LB 563.

SENATOR ROBAK: Thank you, Mr. President and members of the body. LB 563 was advanced by the...from the Banking, Commerce, and Insurance Committee by a vote of 8 to 0. LB 563 is a bill that would require copayments and coinsurance amounts to accrue towards the single maximum out-of-pocket limit for both physical and mental health conditions as intended under LB 355, the Mental Health Parity Act. In 1999, LB 355 was a bill that both mental health advocates and the insurance companies through various negotiations, agreed to implement. It was agreed that mental and physical health insurance plans have a single out-of-pocket limit for both physical and mental health conditions. The passage of LB 355 was believed to have brought parity between physical and mental health insurance. An important issue was how much should any family have to spend out of their pockets before their health insurance takes over that burden? That's why a single maximum out-of-pocket limit was established, and expenses for all covered services were supposed to roll up into that maximum out-of-pocket amount. However, some policies that provide mental health coverage got around the intentions of LB 355 by increasing the copayment and coinsurance amounts and then excluding those copayments and coinsurance amount from applying toward the total out-of-pocket coverage. Understand what happened, in compliance with the law, the insurance company did establish the single maximum out-of-pocket expenditure limit. But in violation of the intent of the